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Ninth session

SUMMARY RECORD OF THE 8th MEETING

Held at the Vienna International Centre, Vienna,
on Thursday, 21 May 1992, at 4 p.m.

President: Mr. CSERVENY (Hungary)

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The meeting was called to order at 4.25 p.m.

ELECTRONIC DATA-PROCESSING PROGRAMME (IDB.9/12 and Add.1; GC.4/50; GC.4/CRP.1)

1. Mr. WARNER (Deputy Director-General, Department of Administration) introduced the report of the Director-General on the electronic data-processing programme of UNIDO (IDB.9/12), which described the action taken by the Secretariat on the primary recommendations put forward by Touche Ross Management Consultants (GC.4/CRP.1) and by the External Auditor (GC.4/50). The related costs were set out in document IDB.9/12/Add.1, which also reported on the status of the contractual commitments made in compliance with decision 18 of the fourth General Conference. Those costs would be a continuing item, but the programme would stay within approved levels of expenditure.

2. One of the most significant recommendations made by the consultants had been the establishment of an internal working body to oversee the operations of the management information system. The Information Technology Steering Committee (ITSC), founded in October 1991, had held nine meetings and would continue to meet on a regular basis and submit policy recommendations to the Director-General. In addition to reviewing all recommendations made by the consultants and the External Auditor, ITSC had put forward various recommendations relating in particular to the establishment of a policy framework for hardware and software standards, the monitoring of expanded training programmes, the allocation of resources and the reviewing of the Organization's draft strategic automation plan.

3. The appointment of the Director of the Management Information Services Division was a major step in the overall strengthening of UNIDO's programme and had enabled the administration to reorganize the staffing of the Division in line with the observations of both the Working Group of Independent Experts and the consultants.

4. Mr. FIGUEIRINHAS (Observer for Portugal), speaking on behalf of the States members of the European Community, noted with satisfaction that the maximum expenditure on the electronic data-processing (EDP) programme authorized by the General Conference for the biennium 1992-1993 and

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proposed for the biennium 1994-1995 would under no cirumstances be exceeded. He had been pleased to observe that various recommendations by Touche Ross Management Consultants and the External Auditor had been implemented. He would like to know when the report of Andersen Consulting would be available.

5. With regard to annex I to the Director-General's report, he wished to know which software would be used by UNIDO, in view of the unavailability of FAO's FINSYS/PERSYS package. He also requested information about action taken following the Touche Ross recommendations on economies; it had been suggested that the contract with IBM should be terminated or renegotiated. In connection with the backup computer installation, he wished to know how the work could be completed in 1992 and the operational tests carried out whilst negotiations with IAEA were suspended. Inadequate training of staff, also emphasized in the Touche Ross report, should be rectified as quickly as possible, since it was a major cause of underutilization of UNIDO's computer installations.

6. The Secretariat should endeavour to make further savings, since a large part of the operational budget was allocated to the EDP programme, thus reducing the amount available for technical cooperation. It should also make greater use of its own personnel rather than call in outside firms. He requested clarification regarding the comments made in points 15, 16 and 17 of annex I to document IDB.9/12 to the effect that training in WordPerfect was currently being provided but that the purchase of the corresponding hardware would be posted to the 1994-1995 budget.

7. Mr. TAKASHIMA (Japan) said that his delegation, whilst noting the errors made previously by UNIDO in connection with the EDP programme, in particular with regard to budgetary and procedural aspects, appreciated the efforts made by the Secretariat to make the EDP system more transparent and to remain within the budgetary limits set. It would now be more constructive to discuss how the system could be used to its full potential. In order to monitor the progress of the EDP programme more closely, his delegation requested the Secretariat to report on the benefits that had so far been obtained from UNIDO's acquisition of EDP facilities.

8. Ms. KIMBLE (United States of America) welcomed the progress made in implementing the primary recommendations of Touche Ross Management Consultants, as reflected in document IDB.9/12. Whatever their opinions on the original decisions behind the programme, Member States should now give UNIDO support in putting the EDP programme on a sound basis. Against a background of shrinking financial resources, the task of adapting the programme to UNIDO's real needs was especially difficult, and the Organization should be encouraged to continue the progress it had made in rationalizing the programme in accordance with the best professional knowledge available.

9. Mr. GUTIERREZ (Chile) said that his delegation had been pleased to note the efforts made by the Secretariat to implement some of the recommendations by Touche Ross Management Consultants, despite the fact that the EDP system advocated by Touche Ross was not the most suitable one for UNIDO's requirements and that its total cost would constitute a heavy financial burden on the Organization. Although it was logical to assume that all the Touche Ross recommendations would be implemented, careful reading of annex I to document IDB.9/12 appeared to indicate otherwise.

10. The document contained no mention of the costs of implementing the recommendations, particularly those relating to the disaster recovery plan, as had been called for in General Conference decision GC.4/18, subparagraph (h). According to annex II of document IDB.9/12, such a plan had been drafted under the facilities management contract with IBM. However, despite official requests, neither the EDP system contracts nor the legal instrument under which the consultants had been engaged had been made available. The absence of such essential background documents had prevented even an approximate assessment of the issue. Unless and until the contracts could be examined, his delegation considered that the matter could not be closed. It also believed that any further purchases should be made solely by public invitation to tender, that being the customary procedure in international organizations. It would be grateful if the Secretariat could provide the Board with a timetable for the measures it was taking, showing the date when the system would reach full operational capacity.

11. Mr. KAMEL (Turkey) expressed his appreciation to the Secretariat for the steps taken to make the EDP project more transparent and for the action undertaken in response to the recommendations of Touche Ross Management Consultants and the External Auditor. He also inquired as to when the report of Andersen Consulting would be ready and requested information on how that firm had been awarded the contract to carry out phase 2 of the strategic automation plan.

12. Mr. WARNER (Deputy Director-General, Department of Administration), replying to points raised in the discussion, said that Andersen Consulting's draft report on its work was nearing completion. It would be reviewed by the Secretariat and the Information Technology Steering Committee, and would probably be circulated before the Programme and Budget Committee's session in mid-June.

13. With regard to the FINSYS/PERSYS system currently used at FAO, three examinations had been conducted with professional assistance, from which it appeared that the system was still not ready for transfer. Contact would be maintained with FAO and operations at Geneva in order to establish when transfer would be feasible, in keeping with the Touche Ross recommendations. Examination of other prospective packages and cost/benefit analyses would continue to be carried out with a view to ascertaining whether the same goals could be achieved at less cost with an alternative system.

14. In connection with the observations raised concerning the Touche Ross recommendations on savings, a full answer would be contained in the External Auditor's statement to be issued shortly. However, he could make the following comments at the present stage: the post of Systems Services Specialist had been discontinued and related costs were no longer being incurred; the facilities management programme had been restructured, yielding signficant savings for the

Organization; the recommendation with regard to the elimination of management of the WANG system had been fully implemented; and the software portfolio had been realigned following negotiations with IBM, producing substantial savings.

15. With regard to the question raised concerning the backup installation, a recent change of personnel at IAEA combined with system-upgrading activities in that Agency had delayed completion of the project. Finalization was scheduled for the latter half of the year.

16. He concurred with the observation that the Secretariat could make further economies by relying on its own personnel. That line of action would be pursued to the extent that technical safety allowed.

17. In connection with points 15 and 16 in annex I to document IDB.9/12 regarding the WANG system that supported EPL/LD, a decision had been taken in accordance with the consultants' recommendations to pursue implementation of WordPerfect, but, owing to current budgetary limitations, it had not been possible to begin hardware conversion. The corresponding planning and architectural arrangements would be finalized in 1993. The 1994-1995 budgets incorporated sufficient funding for the completion of the recommended hardware transition.

18. Concerning the observation that the Secretariat should report on the benefits so far derived from EDP acquisition, any such report would be a comprehensive one. The most appropriate time for it would be after completion of the Andersen Consulting report, at the time of implementation of the strategic plan.

19. Replying to the Chilean delegation, he said that the reason why not all the Touche Ross recommendations had yet been implemented was that they were intended to be carried out in stages.

20. Mr. GUTIERREZ (Chile) explained that his delegation had not asked any questions but had merely enumerated a list of facts that were of concern to it. He had simply wished to know when the system would be fully operational.

21. Mr. WARNER (Deputy Director-General, Department of Administration) said that the Secretariat would be pleased to provide that information.

VENUE OF THE FIFTH SESSION OF THE GENERAL CONFERENCE (IDB.9/4)

22. Mr. ALEXANDRENNE (Deputy Director-General, Department of External Relations, Public Information, Language and Documentation Services) drew the Board's attention to additional information received in connection with the proposed venue of the fifth session of the UNIDO General Conference, namely, two letters addressed to the Director-General by the Cameroonian Ministries of Foreign Affairs and Industry. In those letters, the Government of Cameroon had formally noted the financial commitments involved in holding the General Conference at Yaoundé and had undertaken to ensure that no costs would be incurred by UNIDO through holding the session away from Headquarters. The holding of the Inter-Parliamentary Union Conference at Yaoundé in April 1992, an event attended by over 1,000 delegates, provided ample illustration of the conference facilities available and of the local infrastructure. Also, the Government of Cameroon intended, at the next session of the Board, to present a film showing the country's socio-economic environment.

23. The Board was required at the current session to reach a decision on the holding of the fifth General Conference at Yaoundé, since the Government of Cameroon had to submit that decision to its National Assembly, which was due to hold a budgetary session in June 1992 with a view to making available the necessary financial resources.

24. Mr. AYADI (Observer for Algeria), speaking on behalf of the African Group, noted with satisfaction that the report of the mission dispatched to Yaoundé in connection with the proposal to hold the fifth session of the UNIDO General Conference there contained no indication that the facilities would not be adequate. The African States wished to express their appreciation for the Cameroonian Government's invitation. The holding of the General Conference session in an African country would provide an opportunity to find new solutions to the problems of the developing countries, and in particular to focus attention on the situation in Africa, with its immense difficulties, its achievements and its hopes. It would also be an occasion for UNIDO to reaffirm its commitment to the task of fostering the continent's industrial development. The Government's invitation to the General Conference and the support it had received from African countries bore witness to Africa's faith in UNIDO as a specialized agency for the promotion of industrial development.

25. Mr. NDIAYE (Senegal) said that to hold the fifth session of the General Conference in Cameroon would give delegates the opportunity, during the Second Industrial Development Decade for Africa, to see how much progress had been achieved by an African State and how far the continent still had to go to catch up with the others. He hoped the Board, having been assured that the Conference would be efficiently organized, would support the proposal.

26. Mr. ABOGO-NKONO (Cameroon) welcomed the favourable response given by the fourth General Conference to his Government's invitation to hold the fifth session at Yaoundé. He hoped the Board would take its final decision at the present session, and not wait until the tenth. His Government would then be able to request the Parliament, at its budget session in June, to release an initial allocation of the necessary funds. If the Board deferred its decision until November, his Government would be unable to obtain funds until June 1993, since Cameroon's financial year ran from July to June. The five-month period from then until the General Conference would be too short for it to meet its obligations satisfactorily.

27. The Government of Cameroon had received the draft agreement specifying the obligations of the host Government. Those obligations had been accepted by a letter of intent from the Minister for Foreign Affairs, which had been deposited with the Secretariat.

28. The Director-General's report (IDB.9/4) concluded that the local infrastructure,

including the Palais des Congrès, the hotel accommodation and the international airport would be fully adequate, given a few minor alterations, to provide the requisite conference facilities in December 1993. Indeed, the Inter-Parliamentary Union had already held its conference, attended by around 1,000 delegates, at Yaoundé in April 1992.

29. The total cost to the Government of Cameroon of transferring the Secretariat for the duration of the Conference was estimated at about $1 million, the costs incurred locally being about twice that figure. The financial outlay would be worth while, since it would stimulate additional investment and help to promote tourism. Under the terms of the agreement to be signed by his Government, UNIDO would be exempt from all additional expenditure incurred by holding the General Conference away from Headquarters. Member States with permanent missions at Vienna would doubtless understand that for those which were less fortunate, coming to Vienna involved considerable travel and subsistence costs.

30. During the entire 32 years since its independence, Cameroon had enjoyed peace and political stability. It was a democracy. It had consistently pursued a market-economy system, attracting capital on favourable terms from many foreign countries. It was now undertaking a major economic reform focusing on privatization of its public enterprises, liberalization of trade and structural adjustments to offset its public sector deficit.

31. The presence of UNIDO in Cameroon would be a sign of confidence at a time when investment in Africa was in rapid decline. It would also be an opportunity for delegates to see at first hand some of the results of his country's cooperation with UNIDO. Cameroon had full confidence in UNIDO's capacity to promote industrial cooperation and integration at the subregional, regional and interregional levels. By agreement with the Secretariat, the Government was appointing an official to serve at the UNIDO office at Yaoundé and was encouraging other countries to do the same. Its invitation to the fifth General Conference was also an appeal to the international community at large to play its part in interregional cooperation so as to enable Africa to contribute more effectively to world industrial development.

32. Mr. EL-HUSSEIN (Sudan) welcomed the generous offer of Cameroon to organize the fifth session of the General Conference at Yaoundé. It appeared that the Government was prepared to provide all the requirements needed for its servicing. To hold the session in a developing African country would underscore the close links between the Organization and Africa and its importance for industrial development there. His delegation therefore urged the Board to accept the offer.

33. Mr. SCOULAR (United Kingdom), while appreciating the Cameroonian Government's willingness to assume the considerable financial burdens which fell on a host country, pointed out that a move from Vienna would occasion hidden costs for all involved. If the Board decided to accept Cameroon's offer, the decision should not set a trend; subsequent General Conferences should be held in Vienna. On a procedural point, he wondered whether the Board was entitled to advance the timing set in the General Conference resolution by taking its decision before the tenth session.

34. Mr. EL FENDRI (Tunisia) was in favour of the proposal. The pressing economic needs of the African continent made Cameroon an eminently suitable location.

35. Mr. SOOKSMARN (Thailand) said that his country, which had been host to the second session of the General Conference at Bangkok, sympathized with the concern expressed by the representative of Cameroon with regard to the timing of the preparations. Because of the fiscal year in Cameroon, it was essential for the Board to reach a decision at the present session. He pointed out that General Conference resolution GC.4/Res.30 requested the Director-General, having consulted the Government in question, "to submit a report to the Board at this session for decision". The other ASEAN country representatives - those from Indonesia, Malaysia and Philippines - shared his views.

36. Mr. KIM (Republic of Korea), speaking on behalf of the Asian Group, expressed his appreciation to the representative of Cameroon, and welcomed the information provided in document IDB.9/4. In view of the time constraints posed by the fiscal year in Cameroon, his delegation urged the Board to give its formal approval to Cameroon's proposal.

37. Ms. KIMBLE (United States of America) said that her Government had consistently taken the view that meetings of international organizations should be held at their headquarters, to make the most rational use of their resources. Even when, as in the case of Cameroon, the host Government at an alternative venue had undertaken to defray any additional identifiable expenditure, there were always hidden costs for the Secretariat. The loss of staff time and efficiency caused by the need to coordinate activities at a distant site and the logistical problems involved were costs which could not be recouped. She urged the Secretariat to identify as many such costs as possible, to ensure that regular budget resources were fully protected. The Secretariat should also remain in close touch with the Government of Cameroon as the cost estimates evolved, in order to be informed of any additional requirements. On the credit side, holding the General Conference at Yaoundé would enable some Member States with permanent missions there but not in Vienna to attend, and she hoped they would take that opportunity. It would also offer a unique opportunity for delegations to see UNIDO field activities at first hand. If the proposal was accepted by the Board, it should not be regarded as a precedent for future General Conferences.

38. Mr. BARRY (Guinea) was delighted that the Cameroonian authorities were willing to ensure the successful organization of the fifth General Conference at Yaoundé. He fully supported the proposal.

39. Mr. WANG Zhixi (China) said that if the fifth General Conference was held in Cameroon, it would help Member States to appreciate the situation in Africa and encourage them to contribute to the industrialization of the continent. He therefore supported the proposal.

40. Mr. TADESSE (Ethiopia), welcoming the offer by the Government of Cameroon, said that the benefits of holding the General Conference in Yaoundé would accrue to the rest of Africa as well. Holding industrial conferences in Africa was a means of stimulating African countries to industrialize and to abandon their traditional role as producers of a single agricultural commodity.

41. Mr. PLUG (Netherlands) welcomed the offer of the Government of Cameroon, and the positive outcome of the UNIDO mission. It would be an excellent idea for Member States to meet, for once, in an African country. As a general principle, however, his country did not favour holding meetings of governing bodies away from their headquarters, because of the inevitable additional costs involved. He therefore hoped that if a decision was made to accept Cameroon's offer, it would not set a precedent and that the sixth General Conference would be held in Vienna.

42. Mr. MUSA (Nigeria) noted that the Government of Cameroon had given an assurance that it would be able to provide all the necessary facilities and meet the financial requirements required for holding the fifth session of the UNIDO General Conference in Yaoundé. The Government of Nigeria and, indeed, the whole of Africa were committed to the success of the undertaking and would ensure that the facilities necessary for a successful conference were in place. He called on all members of the Board to accept the Cameroonian Government's invitation.

43. Mr. SZABO (Hungary), noting the great success of the recent session of the Inter-Parliamentary Union held in Yaoundé, expressed his support for the offer by Cameroon to organize the fifth session of the UNIDO General Conference. It was beneficial for the Organization when sessions of its General Conference were held in developing countries.

44. Mr. EZZAT (Egypt) thanked the Government of Cameroon for its generous offer to act as host to the fifth session of the General Conference at Yaoundé and to bear the full financial burden. The holding of the Conference in a developing country would be an affirmation of the role played by UNIDO in such countries.

45. Mr. WOTAVA (Austria) said that while his country was always pleased to play host to a session of the UNIDO General Conference, it welcomed the invitation extended by the Government of Cameroon, in particular because it would be the first time that an African State had been host to a session of the General Conference. African States were currently taking a great interest in the activities of the Organization, which had in its turn done a great deal for them. The Board should take the appropriate decision at the present session in order to facilitate the task of the Government of Cameroon.

46. Mr. AKPAN (Organization of African Unity) said that OAU fully supported the invitation by the Government of Cameroon to the fifth session of the UNIDO General Conference. The Board should not tie itself down to the dangerous principle of always holding sessions of the General Conference at Vienna; very few developing countries were in a position to play host to the headquarters of international organizations, and they should be encouraged when they expressed their willingness to organize meetings of those organizations.

APPOINTMENT OF DEPUTY DIRECTORS-GENERAL (IDB.9/17)

47. The PRESIDENT said that one post of Deputy Director-General had been vacant since 31 March 1992 and that a further two posts would become vacant on 31 May 1992. In compliance with Article 11.5 of the Constitution and Board decision IDB.1/Dec.11, the Director-General was submitting his recommendations for candidates for those three posts to the Board for approval.

48. Mr. SIAZON (Director-General) expressed thanks on behalf of the Secretariat, as well as on his own behalf, to Mr. Araoz, Mr. Soumarokov and Mr. Wiesebach for their services to the Organization as Deputy Directors-General and wished them every success in their future endeavours.

49. The process of consultations on the choice of two of their successors had taken some time, and while the outcome had not met everyone's expectations, all had had the opportunity to express their views individually and as groups. Those consultations had given him a better understanding of the positions held by the parties concerned and had helped to guide him in his choice of candidates. His prime concern in making his nominations had been the best interests of the Organization, in terms of adherence to the Constitution, compliance with the relevant decisions and resolutions of the policy-making organs, consultations with all the regional groups, and selection of the candidate best able to fulfil the duties of the office concerned.

50. He had issued invitations to the Member States concerned to submit candidates, and following submission of those candidates, had immediately arranged to have consultations with all regional groups. Those consultations had taken place at four levels: among members of the regional groups submitting candidates, between the regional groups and the Director-General, between the individual members of the regional groups and the Director-General, and between other Member States of UNIDO and the Director-General. His principal aim had been to reach agreement with the regional groups on the choice of candidates, while giving the selection process itself greater transparency. He wished to thank all regional groups and their members for taking part and sharing their views, and to express his appreciation to all Member States which had submitted candidates.

51. His own term of office would be coming to an end in 19 months' time, and in that period he wanted to see UNIDO become a stronger and better organization. The candidates he was submitting to the Board would add great talent and experience to UNIDO's senior management team and help to bring that wish to fruition.

52. Accordingly, he wished to nominate Mr. Werner Ernst Behrens (Germany) as Deputy Director-General to head the Department for Programme and Project Development, Mr. Mauricio de Maria y Campos (Mexico) as Deputy Director-General to head the Department of Industrial Operations, and Mr. Ernest Evgenyevich Obminsky (Russian Federation) as Deputy Director-General to head the Department for Industrial Promotion, Consultations and Technology.

53. The PRESIDENT said that the Bureau had reviewed the draft decision contained in

paragraph 5 of document IDB.9/17 and had decided to recommend it to the Board for adoption.

54. Mr. ARIAS-SALGADO (Spain), speaking on a point of order, and supported by Mr. TALIANI (Italy) and Mr. GUTIERREZ (Chile), said he believed that it would be possible to reach a decision by consensus, but only after further consultations had been held among delegations. Accordingly, he requested that the President suspend the meeting to allow those consultations to take place.

55. The meeting was suspended at 6.15 p.m. and resumed at 6.35 p.m.

56. Mr. TALIANI (Italy) said that his delegation had known and cooperated with Mr. Behrens for some time and had found him to be a man well qualified to be appointed a Deputy Director-General. However, he strongly deplored the procedure which the Director-General had chosen to adopt in arriving at his proposal to appoint Mr. Behrens. As the Director-General had repeatedly said, appointments of Deputy Directors-General had important political connotations, and the Director-General had received plenty of advice from the 12 member States of the European Community in the Western European and Others Group, which had submitted a number of highly qualified candidates. He himself had been given to understand that in view of the political connotation of the appointments, only government-sponsored candidates would be considered. But the Director-General had chosen to ignore the advice of many Member States and to propose another candidate. Nevertheless, out of respect for Mr. Behrens and because the proposed appointment would be of short duration, he would not formally be opposing his candidature.

57. Viscount VILAIN (Belgium) said that because the past two years or so had been a very difficult period it was all the more important to respect the basic imperative which ensured that an organization like UNIDO functioned well, namely, the preservation of a spirit of cooperation and mutual confidence and consideration between the Director-General, on the one hand, and the Member States and their representatives on the other. While the Director-General had the power to appoint his staff, it was incumbent upon him to take due note of the views of Member States and to maintain relations with their representatives which were based on frankness and dignity. That obligation had not been respected during the process leading to the nomination of one of the three candidates proposed, and he wished to express the profound dissatisfaction of his Government in that regard.

58. Some of his colleagues had advised him not to bring the matter into the public domain in order not to disturb the allegedly consensual atmosphere of the Board, but it was his belief that they were wrong. It was only through frankness that one could hope to restore confidence, and the crisis of UNIDO was above all a crisis of confidence.

59. The Director-General had invited Member States in writing, through their respective regional groupings, to select appropriate candidates for the three posts. One of the posts was reserved for a national of a Member State of the Western European and Others Group, and traditionally it went to a national of one of the 12 member States of the European Community. After extensive discussions between representatives of those States in Vienna and after consultations within the Western European and Others Group, a list of candidates who were supported by their Governments had been formally submitted to the Director-General. Shortly afterwards, and following a series of individual contacts which had had uncertain and often contradictory conclusions, the Director-General had, to the great surprise of the members of the Group, made known his intention not to accept any of the candidates proposed by the Governments concerned, and instead to nominate a candidate of his own choice.

60. That astonishing decision had provoked a general reaction of disapproval, to the point where members of the Group had formally requested the Director-General to go back on his decision. The draft decision contained in document IDB.9/17 showed that he had, unfortunately, not seen fit to respond to that request. It was a profoundly regrettable decision, which was completely unjustified, because no one could be expected to believe that the twelve Governments had not been capable of selecting a single candidate worthy of becoming a Deputy Director-General of UNIDO, and presumably the Director-General himself would not make such a claim either.

61. He had not been able to understand the reason for the Director-General's decision. If it had been his intention from the outset to accept only an internal candidate or only a candidate of a particular nationality, he should have told the members of the Group so frankly and saved them the trouble of seeking a candidate. For all who had been involved in the episode, the most tangible result of the Director-General's decision was a feeling of malaise and frustration and a sense of having been manipulated and of having been set one against another, with no one in the end receiving satisfaction. Such a result was not likely to encourage an atmosphere of confidence and collaboration within the Organization. It was stated in document IDB.9/17 that the Director-General had made his recommendation to the Board "taking into consideration the panel of names submitted". That did not accord with the facts.

62. He did not intend to oppose the appointment of the three recommended candidates and would not be blocking the appointment of Mr. Behrens. He merely wished to state that his Government had never been formally informed of Mr. Behrens' candidature and that no one had ever asked him to support it. He had not even seen Mr. Behrens' curriculum vitae until he had read it in the annex to document IDB.9/17 two days before. Mr. Behrens was not the candidate of the Western European and Others Group or of the member States of the European Community, nor was he even the candidate selected by the Government of his own country. He had nothing, personally, against Mr. Behrens, and wished him every success in his future endeavours, but he could not accept that Mr. Behrens had, for no valid reason, been preferred to other candidates with indisputable qualifications who had been submitted by their Governments and formally proposed by their regional group. What was at issue was a question of political balance within the Organization and a question of elementary consideration towards the Governments of Member States and their representatives.

63. Mr. ARIAS-SALGADO (Spain) said that, as the Director-General's note indicated, the legal validity of the appointments of Deputy Directors-General was governed by Article 11.5 of the Constitution and Board decision IDB.1/Dec.11 and annex, and thus required the concurrence of the Director-General and the Board. With regard to the Director-General's proposal for the post of Deputy Director-General falling to the Western European and Others Group, the consultation procedure followed by the Director-General had involved the transmittal to him on 7 April 1992, at his request, of the names of official candidates from five countries, including Spain, whose Governments had selected them because of their professional qualifications for the post. It was therefore unfortunate that the Director-General's proposal had not included the candidate put forward by his Government. His delegation appreciated the professional worth of the staff member recommended by the Director-General, but it regretted that his name had not been suggested to Member States at the beginning of the consultation process. Had that been done, his Government would not have put forward an external candidate; it could fully support the principle of internal promotion as a matter of staff policy, provided that the conditions of professional qualification and geographical balance were respected.

64. Mr. GUTIERREZ (Chile) said that he was concerned with the procedural aspect of the recommendations, not the qualities of the persons concerned. He felt that in the circumstances the term "appointees" would be more appropriate for them than "candidates". The Director-General was of course entitled to select appointees for approval by the Board. It would have been better if, in his note, the name of each of the persons recommended had been followed by the adjective of his nationality and not the name of his country. The bitterness which some delegations had expressed on the subject was a measure of the harm done to the credibility of the Organization by the lack of transparency displayed in the recommendation process. His delegation had no criticism to offer of the persons recommended or the countries from which they came, but he felt that their selection had revealed very improper management.

65. Mr. WOTAVA (Austria) said he feared that the course of the debate might leave a shadow hanging over the prospective appointment of Mr. Behrens as Deputy Director-General of the Department for Programme and Project Development. He therefore wished to express his full support for the proposal to appoint Mr. Behrens, whose outstanding services to UNIDO in the various posts he had held in the Organization had always impressed him.

66. Mr. LEE (Republic of Korea), speaking on behalf of the members of the Asian Group, said that his delegation supported the nomination of the three candidates recommended by the Director-General, on the understanding that the geographical groups to which they belonged did not oppose the nominations. The curriculum vitae of each of them gave the members of the Asian Group full confidence in their qualifications and their ability to contribute towards UNIDO's goal of promoting the industrialization of the developing countries. The members of the Asian Group represented in the Board therefore approved the draft decision proposed in the Director-General's note.

67. Speaking on behalf of his own delegation, he noted the concern expressed by the representatives of Belgium, Italy and Spain. He hoped that due heed would be taken of the points they had raised when the question of similar appointments arose in future.

68. The PRESIDENT said that, while having noted the views and concerns expressed by some members of the Board with regard to the consultation process that had taken place, he appreciated that those members nevertheless were prepared to participate in a consensus in order not to block a much-needed appointment. He thus invited the Board to adopt the draft decision contained in paragraph 5 of the Director-General's note (IDB.9/17).

69. The draft decision was adopted.

70. Ms. SUZUKI (Japan) thanked Mr. Wiesebach, former Deputy Director-General, Department for Programme and Project Development, Mr. Soumarokov, retiring Deputy Director-General, Department of Industrial Operations, and Mr. Araoz, retiring Deputy Director-General, Department for Industrial Promotion, Consultations and Technology, for their dedicated service to the Organization. She wished them every success in the future. She welcomed the three newly appointed Deputy Directors-General and believed that they would do their utmost to increase the efficiency of UNIDO in the difficult circumstances it faced.

71. The PRESIDENT said he took it that the Board as a whole extended to the three outgoing Deputy Directors-General the thanks which had been expressed by the representative of Japan and that it congratulated the new Deputy Directors-General, whose commendable records augured well for the future of UNIDO, on their appointment.

72. It was so agreed.

73. After a procedural discussion in which Mr. TALIANI (Italy), Viscount VILAIN (Belgium) and Mr. ARIAS-SALGADO (Spain) took part, the PRESIDENT invited the Director-General to make a brief statement.

74. Mr. SIAZON (Director-General) thanked the Board for accepting the candidates he had recommended for the three posts of Deputy Director-General. The Italian representative, according to his statement, had had the impression that only a government-sponsored candidate could be considered for a Deputy Director-General's post. That was not the case; the sole requirement was that the candidate should be the best person for the post and come from a country belonging to a geographical group entitled to recommend him. In view of his efforts to lend greater transparency to the process of selecting candidates for the posts of Deputy Directors-General, he regretted that the consultation process had not lived up to delegations' expectations. He suggested that in the future, the selection process used in the IAEA could be adopted by UNIDO, whereby the Governments submitted official candidates for the posts of Deputy Directors-General and the Director-General simply announced his choice.

75. The PRESIDENT said that the Board had thus concluded its consideration of agenda item 17.

INFORMATION ON ONE INTERGOVERNMENTAL ORGANIZATION WISHING TO ENTER INTO AGREEMENT WITH UNIDO (IDB.9/19)

76. Mr. AL-SAEID (Kuwait), speaking as chairman of the Arab Group, requested the Board to

authorize the conclusion of an appropriate relationship agreement between UNIDO and the League of Arab States. The agreement would encourage mutually beneficial cooperation between the Organization and the members of the League. UNIDO pursued a number of programmes and activities in the Arab region and the countries of the region supported the Organization in various ways in the achievement of its objectives.

77. The PRESIDENT invited the Board to adopt the following draft decision:

"The Industrial Development Board:

"(a) Takes note of the information provided in document IDB.9/19;

"(b) Authorizes the Director-General, in accordance with Article 19.1 (a) of the Constitution of UNIDO and the guidelines for the relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations (decision GC.1/Dec.41, annex, para. 9) and based on the information contained in the annex to document IDB.8/44, to conclude an appropriate relationship agreement with the League of Arab States."

78. The draft decision was adopted.

79. The PRESIDENT said that the Board had thus concluded its consideration of agenda item 18.

The meeting rose at 7.25 p.m.